

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c) if

payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1).

the term "business day" means a day on which State offices are open for regular business."

(d) EFFECTIVE DATES.—

42 USC 654h

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) LIMITED EXCEPTION TO UNIT HANDLING PAYMENTS.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this Act, processes the receipt of child support payments through local courts may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

SEC. 313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654).

as amended by sections 301(b), 303(a), and 312(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph

(26);

(3) by striking the period at the end of paragraph (27)

and inserting ": and": and

(4) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A."

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

42 USC 653a.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECT- TORY.—Except as provided in subparagraph (B), not later

than October 1, 1997, each State shall establish an automated directory (to be known as the State Directory of New Hires) which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING LAW IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (c)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (c)(2)) not later than October 1, 1998.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—  
(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and